

diversion/black marketing takes place. In terms of the MDG, in case of establishment of any diversion/black marketing of domestic LPG cylinder for commercial purposes, the following action is taken against the distributor:—

Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.

Fine of Rs. 50,000 plus the price of LPG diverted at commercial rates for 2nd offence, and

Termination of the distributorship for 3rd offence.

- (iii) Government have advised OMCs to introduce different colours for domestic and non-domestic cylinders. This is expected to help in controlling the diversion of domestic LPG for unauthorized use.

Iran-Pakistan-India gas pipeline project

832. SHRI EKANATH K. THAKUR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that India is expected to sign a \$145 billion deal with Iran in June to import natural gas via the controversial 2,135 km. pipeline that will run through Pakistan.

(b) whether it is also a fact that by the time the gas reaches Indo-Pakistan border, the gas will be very expensive as India will be paying Pakistan \$ 800 million in transit fees and \$ 100 million to the Pakistan Army to guard the pipeline; and

(c) if so, the reasons for signing such an expensive deal when we have the option of importing gas by sea?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) The 4th Tripartite Joint Working Group meeting of Iran-Pakistan-India (IPI) Gas Pipeline Project between the three countries was held in Tehran, Iran on January 24-25, 2007. During the meeting, discussions were held on the report submitted by International consultant M/s. Gaffney Cline & Associates on the gas price at Iran-Pakistan border. A gas pricing formula regarding pricing of gas at Iran-Pakistan border was agreed between Iran and Pakistan

side, subject to approval from the respective Governments. The Indian side agreed to respond to the pricing formula within a period of four weeks.

Subsequently, an Indian delegation participated in the 4th bilateral Working Group meeting with Pakistan on February 22-23, 2007 to discuss various issues relating to transit of IPI Pipeline through Pakistan. Iran attended the meeting as an Observer. The issues pertaining to transportation tariff and transit fees for passage of gas through Pakistan were, *inter-alia*, discussed. Before signing any agreement, all aspects of procuring gas through the pipeline and available options would be carefully considered.

Supply of ethanol by sugar mills

833. SHRI C. RAMACHANDRAIAH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether price negotiations between the public sector oil marketing companies and sugar mills for sourcing ethanol are underway;

(b) if so, what has been the final outcome and which mills have been awarded the contract to supply ethanol and how many million liters would be supplied by the mills;

(c) whether all the distilleries of the sugar mills that are to supply ethanol have got environmental clearness from the Centre; and

(d) if not, the reasons behind qualifying/permitting the distilleries for bidding?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The Oil Marketing Companies (OMCs) have invited public tenders on industry basis for procurement of ethanol at the depots/terminals locations of the oil marketing companies, so as to implement ethanol blended petrol in the notified 20 States and 4 Union Territories. These public tenders have been invited for a period of 3 years with option for extension of two more years on mutual consent of both the parties. So far, industry has finalized the quantities for the locations of the oil marketing companies in Uttar Pradesh, Delhi, Bihar, Jharkhand, Goa, Maharashtra (Partial), Tamil Nadu, Andhra Pradesh (Partial), and Karnataka. For other States and locations, tender finalisation is in process.